



UNIVERSITY SYSTEM OF GEORGIA

Fiscal Year 2017 Financial Update

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January 2018



UNIVERSITY SYSTEM OF GEORGIA

Information Item #1:

Financial Engagement Results
For Fiscal Year Ended June 30, 2017

Engagements

Georgia Department of Audits (DOAA)

Audits

- Augusta University
- Georgia Institute of Technology
- Georgia State University
- Kennesaw State University
- University of Georgia
- University System of Georgia

Full Disclosure Management Reports

- Abraham Baldwin Agricultural College(*)
- Albany State University(*)
- Armstrong State University(*)
- Atlanta Metropolitan State College(*)
- Bainbridge State College(*)
- College of Coastal Georgia(*)
- Georgia Southern University(*)

Agreed Upon Procedures Engagement

- Clayton State University

Warren Averett

Review

- Fort Valley State University

Mauldin & Jenkins

Agreed Upon Procedures Engagements

- Gordon State College
- Savannah State University

USG Internal Audits

- Columbus State University
- Dalton State College
- East Georgia State College
- Georgia College & State University
- Georgia Gwinnett College
- Georgia Highlands College
- Georgia Southwestern State University
- Middle Georgia State University
- South Georgia College
- University of North Georgia
- Valdosta State University



Results – DOAA Engagements

No Findings –

Abraham Baldwin Agricultural College

Augusta University

College of Coastal Georgia

Georgia Institute of Technology

Georgia Southern University

Georgia State University

Kennesaw State University

University of Georgia



Results – DOAA Engagements

Atlanta Metropolitan State College

- Controls over Financial Reporting – Material Weakness
- Internal Controls over Capital Assets – Material Weakness
- Excessive Cash Balances – Significant Deficiency
- Overpayment of Student Financial Assistance – Material Weakness
- Reports Not Reconciled – Significant Deficiency
- Return of Title IV Funds – Significant Deficiency
- Failure of Reconcile Federal Direct Loan Program – Material Weakness

Results – DOAA Engagements

Albany State University

Excessive Cash Balances – Significant Deficiency

Armstrong State University

Monitoring of Logical Access – Material Weakness

Bainbridge State College

Excessive Cash Balances – Significant Deficiency

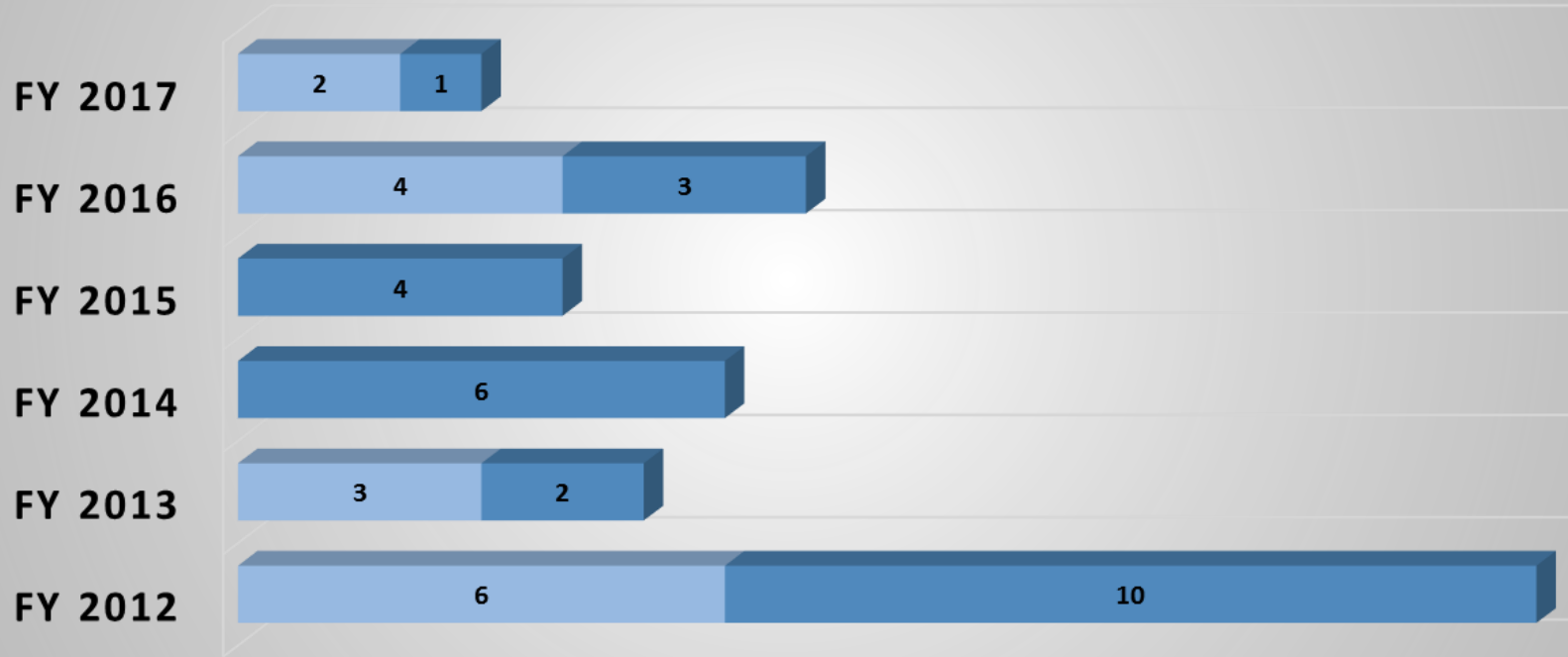
University System of Georgia

OPEB Calculation Error – Significant Deficiency



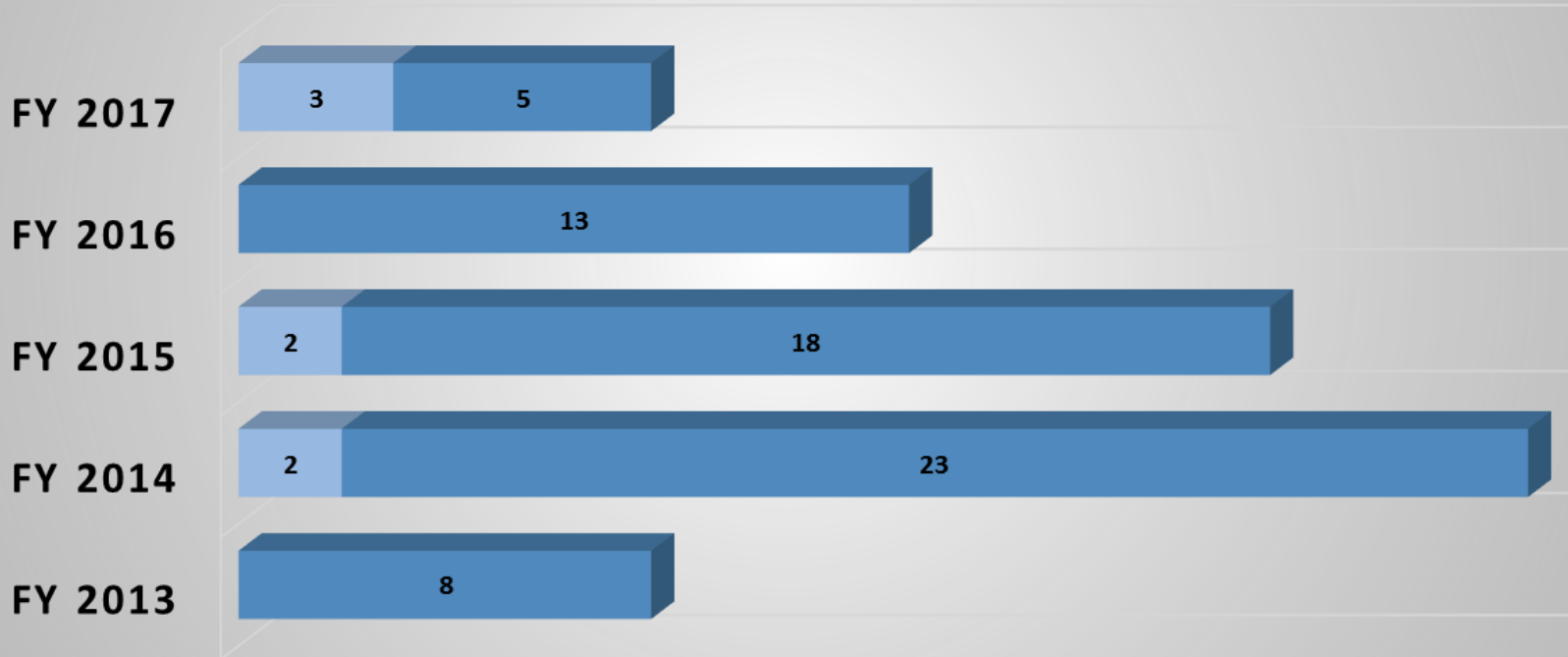
FINANCIAL STATEMENT FINDINGS

Material Weakness Significant Deficiency



FEDERAL FINANCIAL AID FINDINGS

Material Weakness Significant Deficiency



Results – DOAA Engagements

23 Management Letter Comments

- Albany State University (8)
- Armstrong State University (1)
- Atlanta Metropolitan State College (6)
- Augusta University – None
- Bainbridge State College (5)
- Coastal College of Georgia (2)
- Georgia Institute of Technology – None
- Georgia Southern University – None
- Georgia State University – None
- Kennesaw State University – None
- University of Georgia – None
- University System of Georgia (1)

Agreed Upon Procedures Items Identified

- Clayton State University (5)

Results – External Engagements

Review:

- Fort Valley State University

Agreed Upon Procedures Engagements

- Gordon State College - 2 Exceptions Noted
- Savannah State University – 4 Exceptions Noted

Results – Internal Audits Engagements

- Columbus State University – 1 Exception
- Dalton State College – No Exceptions
- East Georgia State College – 3 Exceptions
- Georgia College & State University – 3 Exceptions
- Georgia Gwinnett College – 2 Exceptions
- Georgia Highlands College – 4 Exceptions
- Georgia Southwestern State University – No exceptions
- Middle Georgia State University – 5 Exceptions
- South Georgia College – 1 Exception
- University of North Georgia – No Exceptions
- Valdosta State University – 1 Exception



Fiscal Affairs Corrective Action Plan Efforts

- Exit Conferences
- Deficiency Analysis
- Review of all corrective action plans (CAPS)
- CAP Meetings with each individual that received findings
- Coordinated technical assistance for institutions
- Training focused on deficiency analysis
 - Mid-Year Financial Workshop
 - Year End Financial Statement Workshop
 - SFA Training





UNIVERSITY SYSTEM OF GEORGIA

Information Item #2:

University System of Georgia
Consolidated Annual Financial Report
For Fiscal Year Ended June 30, 2017

Financial Highlights

CONDENSED STATEMENT OF NET POSITION	June 30, 2017	June 30, 2016	% Change
ASSETS			
Current Assets	\$ 2,172,184,004	\$ 2,182,073,507	(0.45)%
Capital Assets, Net	9,962,908,062	9,714,556,337	2.56%
Other Assets	480,893,886	331,144,746	45.22%
TOTAL ASSETS	12,615,985,952	12,227,774,590	3.17%
DEFERRED OUTFLOWS			
	889,122,408	349,131,299	154.67%
LIABILITIES			
Current Liabilities	882,875,681	858,090,200	2.89%
Non-Current Liabilities	8,800,064,037	7,841,446,870	12.23%
TOTAL LIABILITIES	9,682,939,718	8,699,537,070	11.30%
DEFERRED INFLOWS			
	729,574,530	771,299,183	(5.41)%
NET POSITION			
Net Investment in Capital Assets	6,627,744,225	6,428,995,230	3.09%
Restricted, Non-Expendable	193,258,875	181,152,225	6.68%
Restricted, Expendable	249,285,321	258,325,439	(3.50)%
Unrestricted (Deficit)	(3,977,694,309)	(3,762,403,258)	(5.72)%
TOTAL NET POSITION	\$ 3,092,594,112	\$ 3,106,069,636	(0.43)%

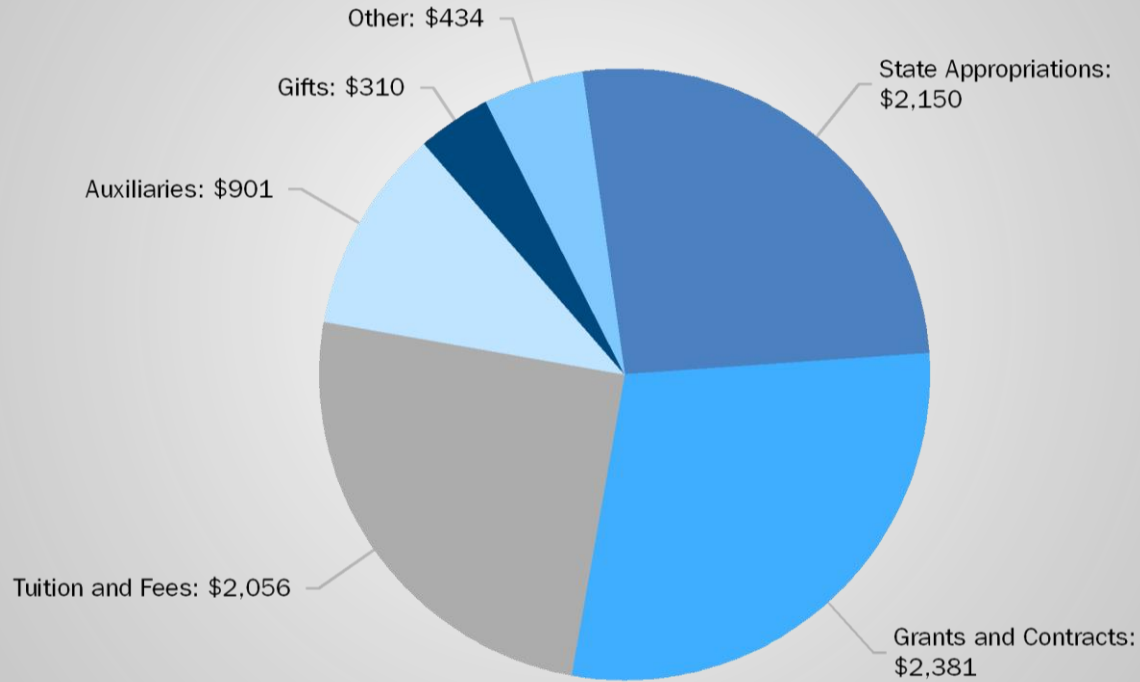
Financial Highlights

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	June 30, 2017	June 30, 2016	% Change
Operating Revenue	\$ 5,100,949,696	\$ 4,942,578,920	3.20%
Operating Expense	8,012,168,406	7,563,231,051	5.94%
Operating Income/Loss	(2,911,218,710)	(2,620,652,131)	11.09%
Non-Operating Revenue and Expense	2,715,233,106	2,573,877,693	5.49%
Income (Loss) before Other Revenues, Expenses, Gains, Losses and Special Items	(195,985,604)	(46,774,438)	319.00%
Other Revenues, Expenses, Gains, Losses and Special Items	253,795,618	216,219,773	17.38%
Change in Net Position	57,810,014	169,445,335	(65.88)%
Net Position at beginning of year, restated	3,034,784,098	2,936,624,301	3.34%
Net Position at End of Year	\$ 3,092,594,112	\$ 3,106,069,636	(0.43)%

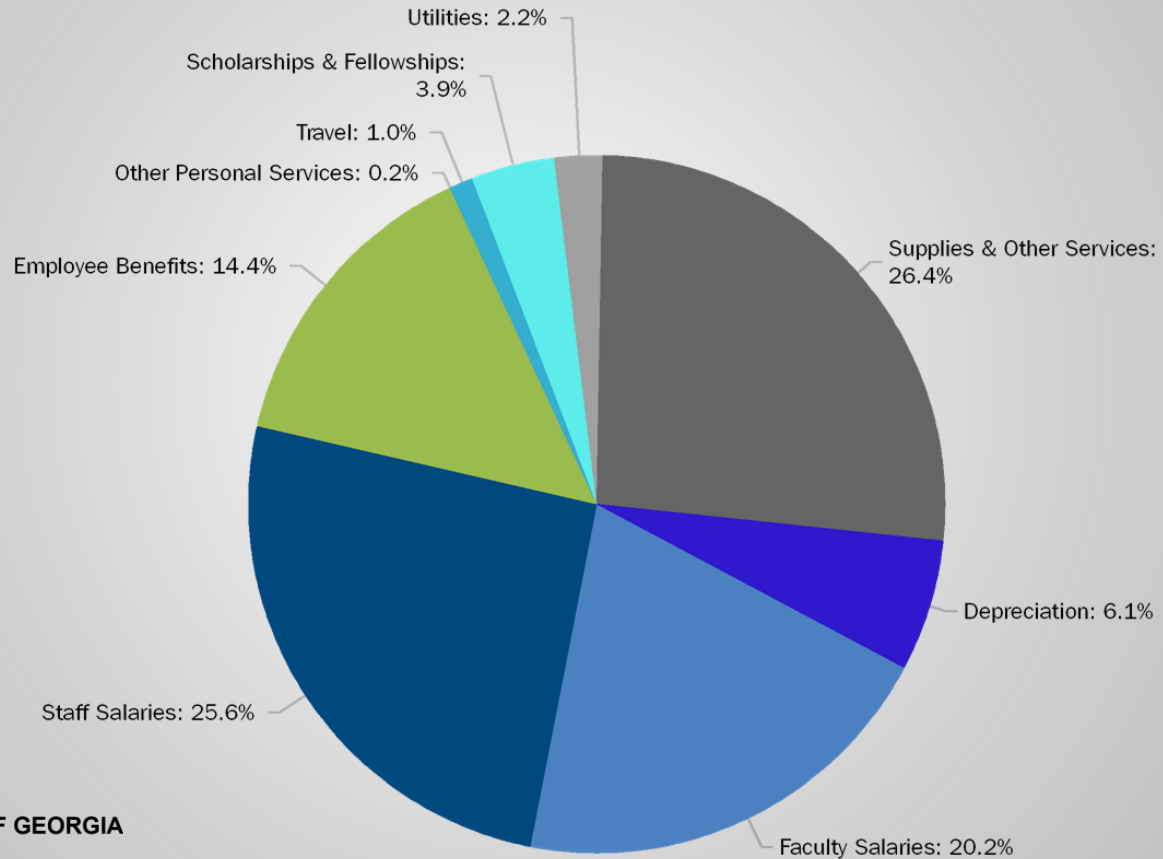


Revenue by Source (in millions)

Total \$8.2 Billion



Operating Expenses



Annual Financial Report Overview

- Highlight Section
- Presentation Changes
- OPEB Obligation increased \$260 m
- Defined Benefit Pension Plan increased \$851 m
- Net Position (Overall) decreased \$13 m

